

## Message Text

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PAGE 01 STATE 294281  
ORIGIN OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-08 AID-05 /030 R

DRAFTED BY OPIC/F BWTREADWELL  
APPROVED BY EB/IFD/ OIA:MPBOERNER  
EB/IFD/OIA:DVGRANT  
EB/ICD/FTD:WBREW  
AF/E:RCASTRODALE  
-----125076 091757Z /47

R 091732Z DEC 77  
FM SECSTATE WASHDC  
TO AMEMBASSY DAR ES SALAAM

UNCLAS STATE 294281

FROM OPIC

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: DENIM TEXTILE JOINT VENTURE OPPORTUNITIES

REF: DAR 4722 (PARA 2)

1. FOLLOWING UP CALL ON SIMON P. MADETE, GM OF TDFL,  
DURING VISIT TO DAR, FINANCE OFFICER TREADWELL HAS CONTACTED  
TWO IMPORTANT U.S. DENIM MANUFACTURERS WHICH HAVE EXPRESSED  
INTEREST IN REFTEL PROJECTS. THE FIRST, RIEGEL TEXTILE  
CORPORATION, IS ALREADY ACTIVE IN AFRICA IN DENIM CLOTH  
MANUFACTURING WITH ITS FRENCH AFFILIATE SCHAEFFER ENGINEER-  
ING. MOST NOTABLE IS THE COTIVO PROJECT IN AGBOVILLE,  
IVORY COAST WHICH PRODUCES DENIM CLOTH FOR LOCAL MARKET  
WHICH TREADWELL DESCRIBED TO MADETE. RIEGEL WILLING TO  
TAKE MINORITY POSITION ALONGSIDE LOCAL AND FOREIGN INVESTORS  
AND SOME GOVT PARTICIPATION AS LONG AS GOVT DOES NOT  
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DOMINATE PROJECT. RIEGEL IS PROVIDING OPIC WITH LETTER  
EXPRESSING INTEREST IN PRINCIPLE WHICH TREADWELL WILL FOR-  
WARD TO EMBASSY AND MADETE. RIEGEL/SCHAEFFER HAVE  
CAPABILITY OF PERFORMING FEASIBILITY STUDY IF FINANCING  
AVAILABLE.

2. THE LEE COMPANY, A NOTABLE MANUFACTURER OF DENIM GAR-

MENTS, HAS RECENTLY BEEN LOOKING AT POSSIBILITIES IN EAST AFRICA AND IS INTERESTED IN GARMENT FACTORY. LEE STRESSES HOWEVER THAT BEFORE ENTERING NEW MARKET IT MUST HAVE ASSURANCES THAT US QUALITY OR BETTER DENIM IS MANUFACTURED LOCALLY. THEY WILL NOT BASE A DOMESTIC MARKET INDUSTRY ON IMPORTED RAW MATERIALS.

3. TANZANIAN PRINCIPALS MUST REALIZE THAT WITHOUT PROJECT PROFILES, OR MARKET OR FEASIBILITY STUDIES, PROJECT WILL NOT MOVE FORWARD. NEXT MOVE WOULD BE FOR THEM TO INVITE U.S. TEXTILE FIRMS TO COME TO TANZANIA WITH SOME INDICATION OF PROJECT PARAMETERS, AND DATA ON AVAILABILITY, QUALITY, AND PRICE OF LOCAL COTTON. AFTER INITIAL RECONNAISSANCE VISIT, OPIC COULD PROVIDE FEASIBILITY STUDY FUNDS UP TO 50,000 DOLLARS ON COST SHARING BASIS WITH U.S. COMPANY. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 09-Dec-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
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**Document Unique ID:** 00  
**Drafter:** F BWTREADWELL  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** b9a29407-c288-dd11-92da-001cc4696bcc  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 DAR ES SALAAM 4722  
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**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**SAS ID:** 291397  
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**TAGS:** EFIN  
**To:** DAR ES SALAAM  
**Type:** TE  
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**Review Markings:**  
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